

Message Text

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PAGE 01 STATE 097443
ORIGIN COME-00

INFO OCT-01 AF-10 EUR-12 ISO-00 AID-05 CIAE-00 EB-08
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 IGA-02 /067 R

DRAFTED BY COM/OED/MEPD/GBURKE/LW
APPROVED BY AF/EP:RBDUNCAN
COM/OED/MEPD/LENGLESON
COM/OED/MEPD/SMCONGER, DIRECTOR
IBRD/HREYNOLDS (INFO)
STATE/EB/IFD/ODF/TPARKER (PHONE)
STATE/AF/W/BKIRKPATRICK (PHONE)
STATE/EUR/WE/JSIMITH (PHONE)
COM/OIM/PMICHELINI (INFO)
AF/W-TWMSMITH

-----300657Z 076896 /21

P 292204Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY ABIDJAN PRIORITY
INFO AMEMBASSY PARIS PRIORITY

C O N F I D E N T I A L STATE 097443

E.O. 11652: GDS

TAGS: BENC, IV

SUBJECT: MAJOR PROJECT: TELECOMMUNICATIONS CONTRACT

REF: (A) STATE 057669; (B) ABIDJAN 1897

1. IBRD VP CHAUFFONNIER HAS INFORMED U.S. ALTERNATE
EXECUTIVE DIRECTOR REYNOLDS OF IBRD DECISION ON SUBJECT

PROJECT. IBRD WILL CANCEL 8 MILLION DOLLAR PORTION OF
LOAN FOR SWITCHING EQUIPMENT. IBRD WILL NOT REPEAT NOT
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CANCEL 17 MILLION DOLLAR LOAN FOR REST OF PROJECT.
CHAUFFONNIER STATED THAT IBRD SATISFIED THAT GOIC HAS MET
THREE CONDITIONS SET BY IBRD: NAMELY, THAT FRENCH
CONTRACTS FOR SWITCHING ARE WITHIN TEN PER CENT OF NORTH
ELECTRIC PRICE; THAT OPEN COMPETITIVE BIDDING WILL BE USED

FOR REMAINING CONTRACTS; AND THAT FINANCING CAN BE ARRANGED

FOR SWITCHING PORTION ON TERMS THAT WILL NOT JEOPARDIZE
REST OF PROJECT.

2. IN RESPONDING MEMO TO CHAUFFONNIER AND MACNAMARA,
REYNOLDS STATED U.S. VIEW THAT PARTIAL CANCELLATION OF

LOAN IS NOT SUFFICIENT SANCTION BY BANK TO PROTECT AND
ENFORCE THE BASIC INTEGRITY OF THE BIDDING PROCESS ON
IBRD PROJECTS. MEMO ALSO QUESTIONED WHETHER FRENCH BID
WAS ACTUALLY WITHIN TEN PER CENT LIMIT AND RAISED
PROBLEM OF INCREASE IN GOIC DEBT SERVICING BURDEN
RESULTING FROM FRENCH COMMERCIAL FINANCING OF SWITCHING
CONTRACT.

3. NORTH ELECTRIC ALSO REQUESTED AND RECEIVED MEETING
WITH KING, BUTEX, AND VASUDEVAN OF BANK STAFF. ACCORDING
TO NORTH, BANK STAFF ACKNOWLEDGED THAT BY MOST
CALCULATIONS FRENCH BID APPEARS TO BE 22 TO 46 PER CENT
HIGHER (IN ADDITION ESCALATION CLAUSES WERE NOT
CONSIDERED) BUT STRESSED THAT CANCELLATION OF SWITCHING
PORTION WAS IN ITSELF SIGNIFICANT RESPONSE TO PROBLEM.
STAFF STATED THAT GIVEN EXPANDING ECONOMY OF IVORY
COAST, BURDEN OF HIGHER COMMERCIAL TERMS COULD BE BORNE
BY GOIC.

4. ON APRIL 26, MACNAMARA CONFIRMED TO REYNOLDS THAT
DESPITE U.S. INITIATIVES, HE WILL NOT REVERSE BANK
DECISION. NOTIFICATION TO GOIC IS EXPECTED
MOMENTARILY.
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5. U.S. FIRMS INVOLVED AND CONCERNED WASHINGTON AGENCIES
MOST APPRECIATIVE OF EMBASSY'S CONTINUOUS AND
VIGOROUS REPRESENTATIONS ON THIS PROJECT. BELIEVE THAT,
DESPITE DISAPPOINTING LOSS, ALL POSSIBLE WAS DONE TO
BRING OUR CONCERNS TO ATTENTION OF RELEVANT GOIC OFFICIALS
AND TO PRESS THE CASE OF THE U.S. BIDDER WITH GOIC AND
IBRD.

6. IN REGARD TO OTHER IBRD FINANCED TENDERS, MORIARTY OF
MORCOM ASKED COMMERCE MEPD TO INFORM EMBASSY THAT HE WILL
BE IN ABIDJAN FRIDAY, APRIL 29 FOR BID OPENING FOR

MICROWAVE, OPEN WIRE CARRIER, TELEPRINTERS AND TELEX
SWITCHING EQUIPMENT. WOULD APPRECIATE EMBASSY MONITOR
THIS AND SUBSEQUENT IBRD FINANCED TELECOMMUNICATIONS
TENDERS CAREFULLY. UNDERSTAND TENDER FOR OUTSIDE PLANT
HAS MAY 16 DEADLINE.
CHRISTOPHER

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Message Attributes

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Sent Date: 29-Apr-1977 12:00:00 am
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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Disposition History: n/a
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